weekly economic review

May 17, 2013

Consumer Price Index (CPI)

Inflation in Alberta remains contained

Consumer prices in Alberta rose by 1.3% in April over the same month last year, with natural gas (41.9%), electricity (7.1%), and food prices (2.9%) being the largest contributors. Inflation was held back by a 7.4% decline in gasoline prices. Excluding the more volatile food and energy components, prices rose just 0.9%, suggesting that underlying price pressures remain subdued.

Nationally, annual CPI inflation in April was a tepid 0.4%, the lowest rate since October 2009 and well below the Bank of Canada's target of 2.0%. The moderation in consumer prices was largely due to a 6.0% drop in gasoline prices. Core CPI inflation, which excludes the most volatile items and is considered a better measure of underlying inflation, decreased to 1.1% from 1.4% in March.

Construction Price Indices

Construction cost inflation decelerates

Growth in non-residential building construction costs continued to slow in the first quarter of 2013. On a year-over-year basis, costs moderated to 1.4%, marking the fifth straight quarter of lower annual increases. The increase in overall construction costs reflected moderate gains in industrial (2.1%), commercial (1.4%) and institutional (1.0%) costs.

The apartment building construction price index was up only 1.5% year-over-year in the first quarter, the smallest increase since the third quarter 2010.

New Motor Vehicle Sales

Auto sales level off

The number of new vehicles sold in Alberta was virtually flat in March compared with the same month last year. The flat reading reflects a 8.9% drop in car sales, which more than offset the 2.8% increase in truck sales (includes SUVs and vans).

Manufacturing Shipments

Manufacturing shipments cool

Manufacturing shipments fell below last year's level for the seventh consecutive month in March (-2.0%). Year-over-year declines in machinery manufacturing (-14.0%) and fabricated metals (-12.5%) were partially offset by another strong gain in wood products (+40.1%) and an increase in petroleum & coal (3.7%), which is the largest manufacturing industry in Alberta.

Nationally, manufacturing shipments were down 1.0% from March 2012.

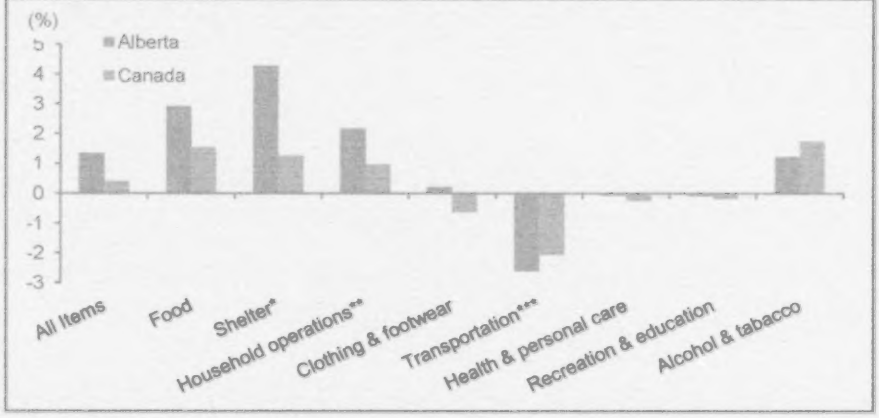
Resale Housing Market

Home prices remain above last year's levels, but sales dip

Resale home prices in Alberta fell 1.6% in April to $374,334 compared with the previous month, but were up 3.4% from April 2012. Sales of existing homes edged down to 5,176 in April, 2.9% below the same month a year ago. An increase in listings combined with little change in sales pushed the sales-to-new listings ratio down to 0.60 from 0.61 in the previous month (a ratio above 0.60 indicates sellers' market conditions).

The national resale market continues to cool. Canadian sales dropped on a year-over-year basis for the ninth straight month, down 9.4% from April 2012. Average resale prices edged up 1.1% over the same period.

CPI Inflation by component (year-over-year percent change)



Source: Statistics Canada

* Includes electricity and natural gas;
** Includes furnishings and equipment;
*** Includes gasoline

Closing Price	May 9, 2013	May 16, 2013	2013-14 Fiscal YTD
Canadian Dollar (US¢/$CAN)	99.73	98.40	98.46
WTI Oil ($US/bbl)	96.39	95.16	93.11
NYMEX Natural Gas ($US/MMBtu)	3.98	3.93	4.11

Alberta Economic Indicators

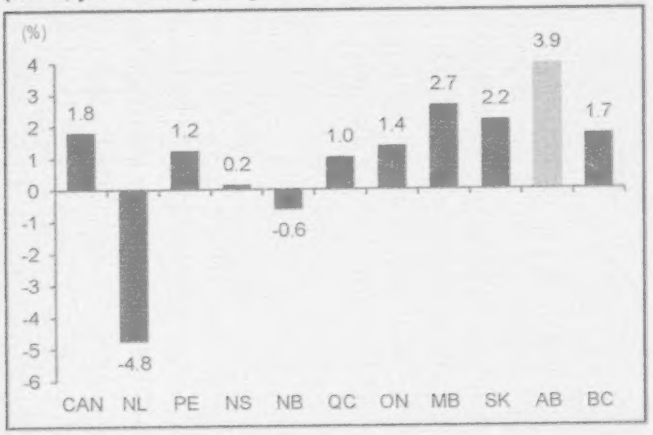
Population	2011	2012	2013YTD	Nov	Dec	Jan	Feb	Mar	Apr
Population (000's)	3,778	3,874	3,931	..	..	3,931	..	..	..
y/y % change	1.5	2.5	3.0	..	..	3.0	..	..	..
Net Interprovincial Migration[1]	8,443	28,170	25,448	..	..	11,533	..	..	..
Net International Migration[1]	16,703	37,990	17,105	..	..	6,296	..	..	..
Net Non-permanent Residents[1]	-7,604	9,721	2,813	..	..	1,133	..	..	..
Labour Market									
Employment (000's), SA	2,095	2,149	2,176	2,170	2,165	2,175	2,179	2,168	2,183
y/y % change	3.8	2.6	2.0	1.9	1.5	1.9	2.5	1.7	1.9
Unemployment Rate (%), SA	5.5	4.6	4.6	4.2	4.5	4.5	4.5	4.8	4.4
Participation Rate (%), SA	73.7	73.4	72.7	73.0	72.9	72.9	72.9	72.6	72.5
Average Weekly Earnings ($), SA	1,035.70	1,075.46	1,091.80	1,091.24	1,095.14	1,083.82	1,099.77	..	..
y/y % change	4.4	3.8	3.6	4.4	3.9	3.0	4.5	..	..
Price Indices									
NEW: Consumer Price Index (y/y % change)	2.4	1.1	0.7	0.6	0.0	-0.5	0.9	1.2	1.3
Excluding food and energy	0.8	1.3	1.1	0.9	1.1	0.8	1.4	1.2	0.9
NEW: Non-Res. Building Cons. Price Index[2] (y/y % change)	3.4	3.8	1.4	..	3.0	..	..	1.4	..
Farm Product Price Index (y/y % change)	17.8	4.4	..	2.0	2.7	..	..	..	..
Crops	19.7	2.5	..	3.9	4.3	..	..	..	..
Livestock	17.2	5.9	..	1.3	1.4	..	..	..	..
Household Sector									
Housing Starts (SAAR, 000's)	25.5	33.3	35.1	39.9	30.2	31.0	35.3	34.8	39.2
y/y % change	-5.0	30.7	6.5	32.8	5.5	18.3	10.5	1.6	1.1
New Housing Price Index[3] (y/y % change)	0.4	1.3	2.4	1.7	1.9	2.2	2.6	2.4	..
Edmonton	0.9	0.9	0.8	0.8	1.0	0.9	1.0	0.6	..
Calgary	-0.1	1.7	4.0	2.8	3.1	3.3	4.3	4.3	..
NEW: MLS Average Resale Prices ($ 000's)	352.7	362.0	375.6	370.7	372.2	367.6	380.1	380.4	374.3
y/y % change	0.5	2.6	5.1	4.2	5.2	6.6	4.5	5.9	3.4
Edmonton ($ 000's)	324.2	332.7	342.5	343.0	345.9	337.6	344.0	348.9	339.4
y/y % change	0.7	2.6	2.7	5.3	4.4	1.6	2.6	5.4	1.0
Calgary ($ 000's)	401.9	419.8	429.3	419.3	436.0	422.5	436.7	433.9	423.9
y/y % change	1.1	2.2	7.2	3.1	8.3	12.4	5.7	6.3	4.6
Retail Sales, SA (y/y % change)	6.8	6.9	6.1	4.2	2.8	4.7	7.4	..	..
NEW: New Motor Vehicle Sales (y/y % change)	9.6	10.5	3.0	2.6	0.7	3.6	6.5	-0.1	..
Consumer Bankruptcies	7029	5759	858	420	346	446	412	..	..
y/y % change	-13.8	-18.1	-18.3	-27.2	-28.4	-13.7	-22.7	..	..
Business Sector									
Rigs Drilling	286	250	303	258	287	368	422	306	115
y/y % change	30.4	12.6	9.5	21.8	16.6	8.2	8.1	9.4	18.2
Goods Exports, customs based (y/y % change)	18.4	1.8	1.4	2.8	13.1	1.5	2.0	1.4	..
Energy	19.2	2.1	0.6	1.3	16.9	1.2	4.0	0.6	..
Farm, Fishing and Intermediate Food	27.2	20.6	5.3	6.3	20.0	3.8	6.7	5.3	..
Farm Cash Receipts (quarterly, y/y % change)	15.2	15.0 (YTD)	..	..	..	..	..	..	..
NEW: Manufacturing Shipments, SA (y/y % change)	17.3	3.4	1.8	8.0	5.8	3.0	0.4	2.0	..
NEW: Wholesale Trade, SA (y/y % change)	14.7	10.8	4.0	5.1	3.7	3.1	6.2	2.8	..
Building Permits, SA (y/y % change)	11.8	14.8	28.0	44.7	5.4	24.7	19.9	38.2	..
Residential	5.2	18.2	14.9	23.3	2.2	21.2	7.8	16.2	..
Non-residential	20.9	10.7	47.1	78.4	13.0	30.6	36.1	69.0	..
Business Bankruptcies	264	230	24	15	16	10	14	..	..
y/y % change	30.2	-12.9	-46.7	-21.1	11.1	-50.0	-44.0	..	..

1 Quarterly; annual numbers are presented on a census year basis (July 1 – June 30)
2 Quarterly, average of Calgary and Edmonton
3 Average of Calgary and Edmonton
YTD (year-to-date) represents the change since the beginning of the year compared to the same period in the previous year. "SA" denotes seasonally adjusted. "SAAR" denotes seasonally adjusted at annual rate.

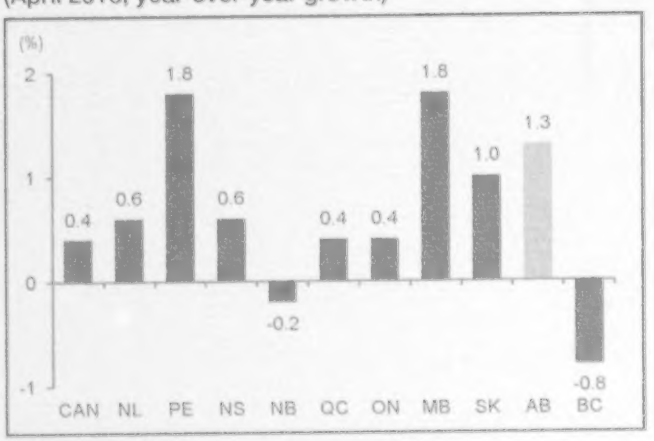
Sources: All data is from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canada Real Estate Association), Rigs Drilling (Canadian Association of Oilwell Drilling Contractors) and Bankruptcies (Office of the Superintendent of Bankruptcy Canada).

Economic Indicators by Province

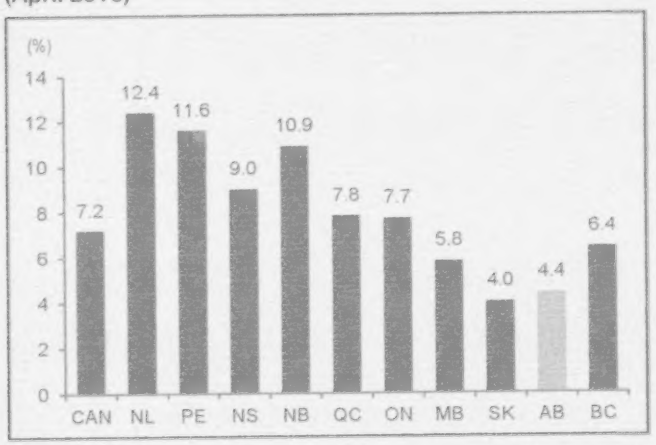
Real GDP by Industry
(2012, year-over-year growth)



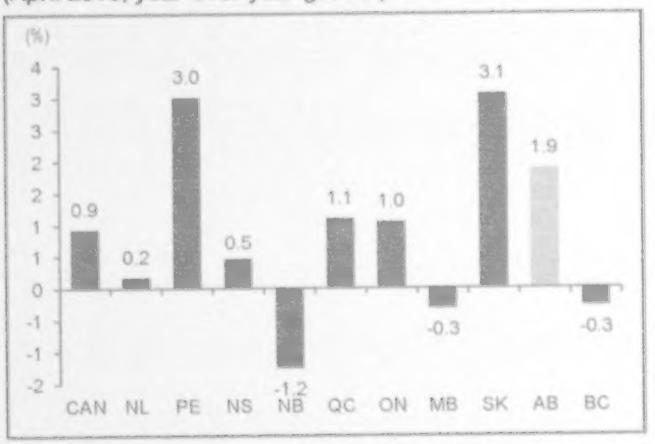
CPI Inflation
(April 2013, year-over-year growth)



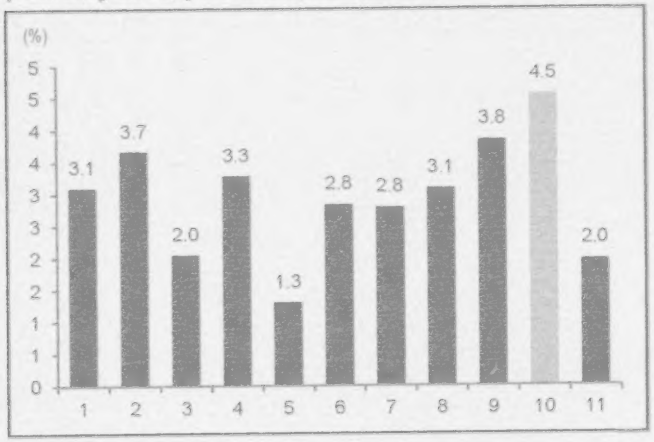
Unemployment Rate
(April 2013)



Employment
(April 2013, year-over-year growth)



Average Weekly Earnings
(February 2013, year-over-year growth)



Housing Starts
(April 2013, SAAR, year-over-year growth)